



Access, Success, and Persistence in Reshaping Education (ASPIRE) Act

Background: In today's economy, a postsecondary degree is an increasingly vital ticket to achieving the American Dream. Yet U.S. college graduation rates are currently among the lowest in the developed world: each year, approximately 600,000 students attend about 50 four-year colleges that have *six-year* graduation rates below 20 percent, with many of these institutions facing significant resource deficits. Moreover, schools that do graduate most of their students on time—namely, some of our nation's wealthiest institutions—serve exceptionally small numbers of low-income students, far below the number of low-income students whose academic credentials could merit admission to these selective schools. In fact, research shows that there are up to 30,000 low-income, high-achieving high school graduates each year who enroll at less selective institutions than they are qualified to attend. When low-income students cannot access and complete a high-quality college education, it impacts the student, their family, their community, and, ultimately, the American taxpayer. Given the roughly \$180 billion in taxpayer dollars that the federal government annually invests in federal student aid and tax benefits to help low- and middle-income students succeed in college, the ASPIRE Act recognizes that we can and must do more to ensure that universities help students learn, graduate, and thrive.

Legislation: The *ASPIRE Act* incentivizes four-year institutions to expand access to higher education for low-income students and increase graduation rates for all students. It does so by spurring some of our nation's wealthiest, most selective institutions to improve low-income student access and by devoting significant resources to boost completion rates at those under-resourced institutions that serve disproportionately high numbers of low-income students. These extensive resources are to be accompanied with new bare minimum access and completion standards, applicable to all four-year institutions choosing to participate in federal financial aid programs. The bill also rewards institutions that are already on the right track when it comes to access and completion by making additional competitive funding available for completion efforts, with priority for minority-serving institutions. Finally, it enables high-performing institutions on access and completion to apply for non-financial rewards, such as bonus points in federal competitive grants or a reduced regulatory burden.

- The bill is completely self-financing, requiring no new appropriations.
- The bottom five percent of institutions based on percentages of enrolled first-time, full-time Pell Grant recipients are given at least four years to improve access, or risk paying a penalty. Penalties collected are then used to fund completion efforts.
- The bottom five percent of institutions based on six-year graduation rates *that choose to opt-in to the bill's completion standards* would receive up to \$2 million a year. Schools that don't improve would have to gradually return portions of the assistance money. If a school doesn't hit its previously agreed to target, all funds would have to be paid back plus a fine equal to 15 percent of the money received.
- Under the bill, more than \$200 million a year would be devoted to completion efforts.
- The bill would not prescribe improvement strategies—institutions create their own plans.

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